

## **Bona Fide Physical Collocation Arrangements**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**Central Office Name:**  
**Central Office CLLI Code:**  
**City:**  
**State:**  
**Date of Bona Fide Firm Order:**

**CC Docket No. 97-208**

**Varner Affidavit  
Exhibit AJV-2  
Tariff Pages**

SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY  
SOUTH CAROLINA  
ISSUED: July 5, 1994  
BY: President - South Carolina  
Columbia, South Carolina

**GENERAL SUBSCRIBER SERVICE TARIFF**

Tenth Revised Page 15  
Cancels Ninth Revised Page 15

EFFECTIVE: August 2, 1994

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.5 Reserved for Future Use****A5.6 Contract Service Arrangements****A5.6.1 General**

- A. When economically practicable, customer specific contract service arrangements may be furnished in lieu of existing tariff offerings provided there is reasonable potential for uneconomic bypass of the Company's services. Uneconomic bypass occurs when an alternative service arrangement is utilized, in lieu of Company services, at prices below the Company's rates but above the Company's incremental costs. Pursuant to Order No. 84-804, this Tariff will remain in effect unless otherwise modified or removed by authorization of the Public Service Commission.
- B. Rates, Charges, Terms and additional regulations, if applicable, for the contract service arrangements will be developed on an individual case basis, and will include all relevant costs, plus an appropriate level of contribution.
- C. Unless otherwise specified, the regulations for contract service arrangements are in addition to the applicable regulations and rates specified in other sections of this Tariff.

**A5.6.2 Rates and Charges**

- A. The following is a listing of rates and charges to subscribers requiring Contract Service Arrangements.
  - 1. Reserved for Future Use



SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY  
SOUTH CAROLINA

## GENERAL SUBSCRIBER SERVICE TARIFF

Original Page 16.1

ISSUED: July 25, 1991

EFFECTIVE: September 3, 1991

BY: President - South Carolina  
Columbia, South Carolina

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****2. Presbyterian College (Cont'd)****b. Case No. 91-1763-1 (07-18-91), Clinton, S.C. (Cont'd)****(1) Service Establishment Charge**

	<b>Nonrecurring Charge</b>	<b>60 Months Monthly Rate</b>	<b>USOC</b>	
(a) Per arrangement	<b>\$65.00</b>	<b>\$-</b>	<b>NA</b>	(N)
(2) Station Message Detail Recording - Premises				(N)
(a) Per ESSX® service-L system so equipped	<b>6,700.00</b>	<b>-</b>	<b>MDR</b>	(N)
(b) Line Termination, Per dedicated circuit <sup>1</sup>	<b>35.65</b>	<b>39.25</b>	<b>BP1</b>	(N)
(c) Per Line equipped with SMDR-P, per station line	<b>-</b>	<b>1.10</b>	<b>MQ81X</b>	(N)
<b>Note 1:</b> Appropriate private line charges apply.				

SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY  
SOUTH CAROLINA  
ISSUED: December 11, 1987  
BY: President - South Carolina  
Columbia, South Carolina

**GENERAL SUBSCRIBER SERVICE TARIFF**

First Revised Page 17  
Cancels Original Page 17

EFFECTIVE: January 11, 1988

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS**

**A5.6 Contract Service Arrangements (Cont'd)**

**A5.6.2 Rates and Charges (Cont'd)**

A. (Cont'd)

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: February 9, 1996  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Second Revised Page 18  
Cancels First Revised Page 18

EFFECTIVE: February 20, 1996

## A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

## A5.6 Contract Service Arrangements (Cont'd)

## A5.6.2 Rates and Charges (Cont'd)

## A. (Cont'd)

## 3. Interstate Johnson Lane

## a. Case No. 95-4978-01 (01-04-96), Greenville, S.C.

This Contract Service Arrangement provides intraLATA Frame Relay Service and Broadband Exchange Line-FPO Service. Rates are stabilized for twenty-four months with a twenty-four month minimum service period. In the event that all or any part of service is disconnected at customer request prior to expiration of the minimum service period, the customer will be required to pay a Termination Liability Charge. The Termination Liability Charge is determined by multiplying the number of months remaining in the contract payment period by the contracted monthly rate by 90 percent.

(See Section A40. of this Tariff for Service Description.)

## (1) Service Establishment

	Nonrecurring Charge	24 Months Monthly Charge	USOC	
(a) Per arrangement	\$948.00	\$-	NA	(N)
(2) Customer Connection to Frame Relay <sup>1,2</sup>				(N)
(a) 56 Kbps <sup>3</sup>	425.00	74.00	FRH56	(N)
(b) 64 Kbps	425.00	74.00	FRH64	(N)
(c) 1.544 Mbps <sup>3</sup>	550.00	404.00	FRH15	
(3) Broadband Exchange Line-FPO				
(a) 56 Kbps <sup>3</sup>	465.00	71.00	FP156	(N)
(b) 64 Kbps	465.00	71.00	FP164	(N)
(c) 1.544 Mbps <sup>3</sup>	480.00	146.00	FP115	(N)
(4) Broadband Exchange Line Extension-FPO, Per Extension				(N)
(a) Less than 20 miles, 56 Kbps <sup>3</sup>	80.00	20.00	FPC56	(N)
(b) 20 - 50 miles, 56 Kbps <sup>3</sup>	80.00	28.00	FPD56	(N)
(c) 51 - 75 miles, 56 Kbps <sup>3</sup>	80.00	43.00	FPE56	(N)
(d) Less than 20 miles, 64 Kbps	80.00	20.00	FPC64	(N)
(e) 20 - 50 miles, 64 Kbps	80.00	28.00	FPD64	(N)
(f) 51 - 75 miles, 64 Kbps	80.00	43.00	FPE64	(N)
(g) Less than 20 miles, 1.544 Mbps	125.00	125.00	FPC15	(N)
(h) 20 - 50 miles, 1.544 Mbps	125.00	215.00	PFD15	(N)
(i) 51 - 75 miles, 1.544 Mbps	125.00	290.00	FPE15	(N)
(5) Frame Relay Service Feature Charges, Data Link Connection Identifier (DLCI)				(N)
(a) First Customer Connection, each	-	-	FFVC1	(N)
(b) Additional, Per Customer Connection, each <sup>3</sup>	25.00	2.00	FRVDX	(N)
(6) Frame Relay Service Feature Charges, Feature Change Charge				(N)
(a) Per Occurrence, Per Feature	25.00	-	FRVFX	(N)

Note 1: Minimum of one required per customer to subscribe to Frame Relay Service.

Note 2: Each customer connection includes one DLCI.

Note 3: The normal Nonrecurring Charge that is shown will be waived upon initial installation. However, each line must remain in service for a minimum of twenty-four months, or the customer shall pay the full Nonrecurring Charge in addition to full termination liability for each line disconnected.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: February 9, 1996  
BY: President - South Carolina  
Columbia, South Carolina

**GENERAL SUBSCRIBER SERVICE TARIFF**

Second Revised Page 19  
Cancels First Revised Page 19

EFFECTIVE: February 20, 1996

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS**

**A5.6 Contract Service Arrangements (Cont'd)**

**A5.6.2 Rates and Charges (Cont'd)**

**A. (Cont'd)**

4. Reserved for Future Use

(T)

(T)



SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY  
SOUTH CAROLINA  
ISSUED: August 23, 1993  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Fifth Revised Page 20  
Cancels Fourth Revised Page 20

EFFECTIVE: September 28, 1993

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****5. General Electric Gas Turbine Plant****a. Case No. 89-2567-1 (04/16/90), Greenville, S.C.**

This Contract Service Arrangement provides Digital ESSX<sup>®</sup> service-L loop mileage.<sup>1</sup> Rates are stabilized for five years and a minimum service period of five years is required.

**(1) Service Establishment Charge**

	<b>Nonrecurring Charge</b>	<b>60 Months Monthly Rate</b>	<b>USOC</b>	
(a) Per arrangement	<b>\$26.00</b>	<b>\$-</b>	<b>NA</b>	
(2) Wire Center Lines <sup>2</sup>				
(a) Per line, 1/2 mile	-	<b>3.00</b>	<b>EXMNX</b>	(T)
(b) Terminating in Electronic Telephone Set, 1/2 mile	-	<b>3.00</b>	<b>R63NX</b>	

**b. Case No. 93-2825 (08/09/93), Greenville, S.C.**

This Contract Service Arrangement provides Digital ESSX<sup>®</sup> service-L loop mileage.<sup>1,3,4,5</sup> Rates are stabilized for five years and a minimum service period is required. The customer is liable for the full five years of revenues to the Company and at the time of disconnect has two payment options:

- Continue paying monthly for the remainder of the sixty-month minimum service period

- Make a lump sum payment discounted by the current cost of money

**(1) Service Establishment**

(a) Per arrangement	<b>1,170.00</b>	<b>-</b>	<b>NA</b>	(N)
(2) Wire Center Lines <sup>2</sup>				(N)
(a) Per line, 1/2 mile	-	<b>2.75</b>	<b>EXMNX</b>	(N)
(b) Terminating in Electronic Telephone Set, 1/2 mile	-	<b>2.75</b>	<b>R63NX</b>	(N)

**6. REVCO**

**Note 1:** Digital ESSX<sup>®</sup> service regulations in A12.13 of this Tariff will apply to this service arrangement.

**Note 2:** Airline mileage for main station lines is measured from the network interface location to the serving central office location.

**Note 3:** Rates and charges for any USOC desired by the customer or required for proper operation of the system and not listed as one shall be as specified in this Tariff.

**Note 4:** Apply rates for EULAC (CALC) as specified in this Tariff.

**Note 5:** Apply rates for the network access registers as specified in this Tariff.

SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY  
SOUTH CAROLINA  
ISSUED: March 5, 1992  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Original Page 21

EFFECTIVE: April 14, 1992

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****6. REVCO (Cont'd)****a. Case No. 91-2205-1 (01/16/92), Greenville, S.C.**

This Contract Service Arrangement provides (9.6 Kbps) FlexServ® service.<sup>1,2</sup> Rates are stabilized for three years with a three-year minimum service period.

**(1) FlexServ® Basic service**

	Nonrecurring	36 Months Monthly	USOC	
	<b>Charge</b>	<b>Rate</b>	<b>SESCL</b>	
(a) Service Establishment Charge, each customer	<b>\$2,000.00</b>	<b>\$-</b>	<b>FN6DD</b>	(N)
(b) Provisioning, each customer	<b>220.00</b>	<b>3.75</b>	<b>F1Q</b>	(N)
(2) DCD port charge, per FlexServ® service Access Line, Digital Circuit			<b>F16</b>	(N)
(a) DS0	<b>21.00</b>	<b>6.50</b>	<b>D2GDU</b>	(N)
(b) DS1	<b>50.00</b>	<b>65.00</b>	<b>D2GAP</b>	(N)
(3) Dial Access				(N)
(a) Per Dial Access Line with call-back capability, each	<b>15.00</b>	<b>92.00</b>		(N)
(4) Network Controller Signaling Channel Interface				(N)
(a) Network Controller Access Port, per port	<b>54.00</b>	<b>108.00</b>		(N)

**b. Case No. 91-2209-1 (01/15/92), Greenville, S.C.**

This Contract Service Arrangement provides (9.6 Kbps) FlexServ® service.<sup>1,2</sup> Rates are stabilized for three years with a three-year minimum service period.

**(1) FlexServ® Basic service**

(a) Service Establishment Charge, each customer	<b>2,000.00</b>	<b>-</b>	<b>SESCL</b>	(N)
(b) Provisioning, each customer	<b>220.00</b>	<b>3.75</b>	<b>FN6DD</b>	(N)
(2) DCD port charge, per FlexServ® service Access Line, Digital Circuit				(N)
(a) DS0	<b>21.00</b>	<b>6.50</b>	<b>F1Q</b>	(N)
(b) DS1	<b>50.00</b>	<b>65.00</b>	<b>F16</b>	(N)

**Note 1:** Rates and charges apply for any USOC desired by the customer or required to make the service work which is not specified herein.

**Note 2:** The rates and charges contained herein are valid while the existing FlexServ® service offering is in effect. If the existing offering is replaced for any reason, the service provided herein shall convert to the new rates and charges as appropriate or to a contract based on the new offering.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: April 24, 1996  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Second Revised Page 22  
Cancels First Revised Page 22

EFFECTIVE: April 30, 1996

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****6. REVCO (Cont'd)****b. Case No. 91-2209-1 (01/15/92), Greenville, S.C. (Cont'd)****(3) Dial Access**

	<b>Nonrecurring</b>	<b>36 Months Monthly</b>	
	<b>Charge</b>	<b>Rate</b>	<b>USOC</b>
(a) Per Dial Access Line with call-back capability, each	<b>\$15.00</b>	<b>\$92.00</b>	<b>D2GDU</b>
(4) Network Controller Signaling Channel Interface			
(a) Network Controller Access Port, per port	<b>54.00</b>	<b>108.00</b>	<b>D2GAP</b>

**7. BI-LO, Inc.****a. Case No. 92-1696-1 (05-21-92), Mauldin, S.C.**

This Contract Service Arrangement provides FlexServ® service.<sup>1,2,3,4</sup> Rates are stabilized for two years with a minimum service period of two years.

**(1) Service Establishment Charge**

	<b>Nonrecurring Charge</b>	<b>24 Months Monthly Rate</b>	<b>USOC</b>
(a) Per arrangement	<b>\$120.00</b>	<b>\$-</b>	<b>NA</b>
(2) FlexServ® service DCD Port-Digital Circuit			
(a) FlexServ® service access line, DS0	<b>21.00</b>	<b>7.00</b>	<b>F1Q</b>
(b) FlexServ® service access line, DS1	<b>50.00</b>	<b>65.00</b>	<b>F16</b>
(c) Per Inter-DCD Channel, DS1	<b>92.00</b>	<b>117.00</b>	<b>D1J</b>
(3) FlexServ® service, Multipoint Channel Bridge Charge			
(a) Per Conference Port Bridge	<b>2.00</b>	<b>17.00</b>	<b>MPW</b>
(b) Per Channel Bridged	<b>1.00</b>	<b>4.45</b>	<b>MPE</b>

**8. InterCept Communication Technologies****a. Case No. SC96-1510-2, C.S. (03/29/96), Norcross, Ga.**

This Contract Service Arrangement provides for IntraLATA Frame Relay and Broadband Exchange Line - Fast Packet Option service. Rates are stabilized for sixty months with a minimum service period of sixty months required. The customer is liable for the full twenty-four months of revenues to the Company and at the time of disconnect, has two payment options:

Continue paying monthly for the remainder of the sixty month minimum service period.

Make a lump sum payment discounted by the current prime interest rate plus two percentage points.

**Note 1:** Rates and charges apply for any USOCs desired by the customer or required to make the service work which are not specified herein.

**Note 2:** If service is disconnected prior to contract expiration, the customer will be responsible for all termination charges (monthly rates times the months remaining in the contract).

**Note 3:** The nonrecurring charges herein do not apply to the existing configuration.

**Note 4:** The rates and charges contained herein are valid while the general service offering for FlexServ® service is in effect. If that offering is replaced for any reason, the service provided herein shall convert to the new rates and charges as appropriate or to a contract based on that new offering.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: April 24, 1996  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Original Page 23

EFFECTIVE: April 30, 1996

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****8. InterCept Communication Technologies (Cont'd)****a. Case No. SC96-1510-2, C.S. (03/29/96), Norcross, Ga. (Cont'd)**

All applicable rates and regulations for Frame Relay service and Broadband Exchange Line - Fast Packet Option as set forth in A40.1 and A40.5 of this Tariff are in addition to the rates and regulations contained in this Contract Service Arrangement.

These rates are contingent upon the customer installing one thousand customer connections in the Company's region within the first twenty-four months of the signing of this Contract Service Arrangement. An annual inventory of customer connections is required on the anniversary date of the signing of this Contract Service Arrangement and will be conducted by the Company Sales Account Team.

Each location must remain in service for a minimum twelve month period or full installation charges apply for that location.

The customer may upgrade to a higher Company technology with no termination liability if the following conditions are met:

The new service must be at the same or higher speed than the existing service.

The customer must be migrating to another advanced switched data service provided by the Company.

The quantity of the advanced switched data service must be equivalent to or greater than the existing Frame Relay service that is being replaced.

The length of the new contract must be at least twelve months, or equal/exceed the remaining service period of the disconnected arrangement, whichever is greater.

The completed service period must be at least twelve months, or twenty-five percent of the length of the originally selected period, whichever is greater.

The service orders to install the new service and disconnect the old service are related together and there is no lapse in service between installation of the new service and disconnection of the existing service.

The service orders are for the same customer at the same location.

Although there is no termination liability if the preceding conditions are met, full non-recurring charges for the higher Company technology are applicable.

A move involves a change in the physical location of one of the following:

The point of interface at the customer premises,

or

the customer premises

The charges for the move are dependent upon whether the move is located within the same building, or to a different building.

When the move is to a new location within the same building, the charge for the move will be an amount equal to one-half the non-recurring charge for the affected service termination at the customer's premises. There will be no change in the minimum period requirements.

Moves to a different building will be treated as a discontinuance and start of service and all associated non-recurring charges will apply. New minimum service period requirements will be established at the new location. The customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

Apply one end user common line charge of six dollars for each customer connection as provided in the FCC No. 1 Tariff, Section 4.6

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: April 24, 1996  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Original Page 24

EFFECTIVE: April 30, 1996

**A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS****A5.6 Contract Service Arrangements (Cont'd)****A5.6.2 Rates and Charges (Cont'd)****A. (Cont'd)****8. InterCept Communication Technologies (Cont'd)**

(N)

**a. Case No. SC96-1510-2, C.S. (03/29/96), Norcross, Ga. (Cont'd)**

(N)

- (1) Customer Connection to Frame Relay - 56 Kbps, minimum of one required per customer to subscribe to Frame Relay<sup>1</sup>

(N)

	Nonrecurring Charge	60 Months Monthly Rate	USOC	
(a) Each	\$-	\$40.00	FRH56	(N)
(2) Broadband Exchange Line - FPO - 56 Kbps				(N)
(a) Each	-	45.00	FP156	(N)
(3) Broadband Exchange Line Extension - FPO - 56 Kbps				(N)
(a) Less than 20 miles	-	15.00	FPC56	(N)
(b) 20 - 50 miles	-	20.00	FPD56	(N)
(c) 51 - 75 miles	-	30.00	FPE56	(N)
(4) Frame Relay Service Feature Charges, Data Link Connection Identifier (DLCI) - Additional, Per Customer Connection				(N)
(a) Each	-	2.00	FRVDX	(N)

**Note 1:** Each Customer Connection includes one DLCI.



Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
Application of BellSouth ) Docket No. 97 - 208  
Corporation to Provide )  
In-Region, InterLATA Long )  
Distance Services Under )  
Section 271 of the )  
Telecommunications Act of 1996 )

AFFIDAVIT OF Gary M. Wright

I, GARY M. WRIGHT, being of lawful age and duly sworn upon  
my oath, depose and state:

1. My name is Gary M. Wright. I am employed by  
BellSouth Telecommunications, Inc. (BST) as a Manager-  
Regulatory Competitive Analysis in the Federal Regulatory  
Department. My business address is 675 West Peachtree Street,  
Room 38L64, Atlanta, Georgia 30375. I am the same Gary M.  
Wright who previously filed an affidavit in support of BST's  
application to provide in-region interLATA services in South  
Carolina.

2. The purpose of this affidavit is to respond to the assertions of American Communications Services, Inc. (ACSI) and ITC DeltaCom that they are each "a potential provider of facility-based telephone local exchange service to residential and business subscribers" in South Carolina.

3. In analyzing a CLEC's market entry strategy, BST's Regulatory Competitive Analysis considers past actions in the market which have been taken by the CLEC, the CLEC's current market activity, and the CLEC's publicly announced marketing plans. This information served as the basis for BST's stated belief that it does not expect ACSI or ITC DeltaCom to market facility-based services to South Carolina residences in the foreseeable future. BST has found no new information, even taking into account the assertions of both ACSI and ITC DeltaCom to the contrary, that would lead it to alter that belief.

## **ACSI**

4. ACSI currently provides non-switched dedicated services, including special access, data services, and private line services over its own fiber optic facilities in Greenville, Spartanburg, Columbia, and Charleston. ACSI began providing competitive local exchange services on a resale-basis in these four South Carolina markets on April 1, 1997 and has



announced plans to provide facility-based competitive local exchange services in the Greenville market during the first quarter of 1998.

5. As of October 1, 1997 ACSI provided over 1000 resold local exchange access lines to business customers in South Carolina. ACSI had placed only a "test" order for resold residential service. ACSI's South Carolina local exchange service tariff includes terms and conditions for basic local exchange line service, PBX services, and other enhanced telecommunications services and features in the markets. ACSI's tariff terms and conditions and pricing structure do not distinguish customers by class of service for its basic local exchange line service offering. However, the ACSI basic local exchange line offering is priced to compete with BST's tariffed basic business local exchange service in South Carolina markets.

6. Perhaps a residential customer willing to pay the higher rates paid by ACSI's business customers will be able to obtain facility-based "Basic Exchange Line Service" from ACSI in Greenville during the second quarter of 1998. However, BST does not expect ACSI (actively) to market residential local exchange services in South Carolina on either a resold or facility basis at any time in the foreseeable future. ACSI has traditionally targeted business customers of all sizes for its switched service offerings including local exchange services.

ACSI's four networks in South Carolina serve the central business districts located in the downtown areas of the respective cities. ACSI has previously stated that it does not plan to offer facility-based residential local exchange service in any market where it is currently active in the BellSouth region.

7. ACSI began offering business local exchange services in the BST region during the fourth quarter of 1996 in Columbus, GA on a resold and a facility basis. ACSI has offered resold business local exchange services in South Carolina as well as 11 other markets in 8 states across BST's region since April 1, 1997. ACSI currently provides thousands of local exchange access lines to businesses in its BST markets on a facility, as well as resold, basis. As of October 1, 1997 ACSI had yet to market residential local exchange service in any BST market where it currently operates on either a facility or resold basis.

8. ACSI asserts, however, in its opposition to BST's application for the provision of in-region interLATA services in South Carolina (CC Docket No. 97-208) that it believes itself to be a "**potential** provider of telephone exchange service to residential and business subscribers"(emphasis added). While admitting that its business strategy "focuses primarily on business customers" ACSI maintains that it "also will provide facilities-based

service to residential callers through MDUs and STS providers where it makes economic sense" . ACSI, in fact, maintains it is currently providing such "residential" services to an STS property in Birmingham, Alabama. [ACSI Opposition, BellSouth-South Carolina, CC Docket No. 97-208, Pg. 14] Additionally, ACSI stated that it recently has entered an agreement to lease network capacity to another CLEC in one of its South Carolina markets and maintains that the other CLEC may migrate its current base of resale residential customers to ACSI-provided facilities at some later date. [Id., 15]

9. ACSI's advertising and press releases make no mention of services to residential customers but clearly focus attention on their business service offerings. Exhibit A attached to this affidavit provides information collected by BST from ACSI's Website. ACSI opens its Corporate Overview by stating it "is a competitive local exchange carrier (CLEC)...offering local exchange dial tone,...to business customers in mid-sized markets". There is no mention of service to residential customers. In describing its Local Exchange, ACSI states it "is bringing to each of its 50 cities the opportunity for businesses to have a right to choose their local telephone company". There is no mention of residential customers "right to choose." Indeed, business customers are referred to in the Website's local exchange service description at least four times while residential customers are not mentioned. In the Website's copy of the 1996 ACSI Annual

Report, ACSI's Executive Chairman, Anthony J. Pompliano writes a "Message to Shareholders Friends, and Employees," which defines ACSI's goal to "become the premier, full-service, local phone company for businesses in our markets." As of November 1, 1997 ACSI made no reference to residential customers on its corporate Website.

10. Included in Exhibit B is a copy of a study performed by the political and economic analysis research firm InContext, Inc. InContext's study of ACSI's fiber deployment and marketing strategies in the Greenville, Spartanburg, and Charleston markets in South Carolina concluded that ACSI was withholding local telephone services from residential multi-dwelling units (MDUs) for non-economic reasons. In the Greenville market, ACSI marketing representatives stated "We only have commercial accounts. No residential." In Spartanburg, ACSI says "We do not provide residential...there has to be a certain level of demand before we'll invest in the facilities and equipment and run lines for residential hook ups." In Charleston, ACSI repeats "Our main focus is on the central business districts."

11. The New Orleans market provides further evidence of ACSI's strategy. ACSI currently provides facility-based business local exchange services in the New Orleans market. InContext reached the same conclusion in analyzing ACSI's New Orleans strategy as it did in South Carolina. Indeed InContext

quotes a local New Orleans ACSI representative as stating "We provide dial tone service to businesses only. We are not providing service to residences and I am not aware of any plans to do so in the future."

12. Also included as Exhibit B is a faxed copy of a proposal made to a New Orleans area business by Group Purchasing Association (GPA), an authorized sales representative for ACSI services and a member of ACSI's Select Partner Program. When the business owner inquired about utilizing ACSI services at his residence he was informed by the GPA representative that "we are not able to sell service to residential. It is an FCC issue."

13. BST has also provided, as Exhibit C to this affidavit, a copy of a preliminary study released on October 17, 1997 by Keep America Connected. This study, **Request Denied**, examines the current and future status of residential local exchange offerings by a number of competitors including ACSI. The study reports that in the New Orleans market, an ACSI representative told consumers inquiring about the availability of residential services that ACSI offers local business services but that it does not plan to offer residential services. In the Spartanburg and Greenville markets of South Carolina, the study indicates that ACSI has "no plans" to offer residential services.

14. As of November 1, 1997, ACSI had made no identifiable effort to market resold residential services to South Carolina customers. It has not done so in any BST market. As of November 1, 1997 ACSI has not entered the South Carolina local exchange market as a facility-based provider of business or residential local exchange services. In all BST markets where ACSI is currently an active facility-based local service provider, BST has seen no effort to market facility-based services to individuals living in either single family or multi-family dwelling units.

15. It bears repeating that BST does not expect ACSI to market its facility-based local exchange services to residential customers, at least not under its own brand name, despite the fact that it will soon possess "the technical capability to provide facilities-based local exchange telephone services to both business and residential customers" [Id., 15]. In fact, BST does not expect ACSI to serve South Carolina residential customers upon entering the Greenville market on a facility basis in 1998.

**ITC DeltaCom**

16. In October 1997, ITC DeltaCom and its subsidiaries were structurally separated from the rest of ITC Holding Company's businesses. ITC DeltaCom has long served the BST region, including South Carolina, as a regional long-distance company focused on the business market.

17. ITC DeltaCom initiated limited resold and facility-based business local exchange service in selected Alabama markets during June 1997. As of October 1, 1997, ITC DeltaCom had not marketed its facility-based services to residences in Alabama. ITC DeltaCom provides a very small number of resold residential lines in the Alabama markets, presumably to ITC DeltaCom employees.

18. ITC DeltaCom's current core long distance service focuses on the business market and BST anticipates that business customers will remain the primary target of its local exchange service marketing efforts, as they have in Birmingham and Montgomery, Alabama.

19. ITC DeltaCom has not yet provided resold residential local exchange lines in South Carolina. It has not provided facility-based local exchange service to residences in South Carolina.

20. ITC DeltaCom has not publicly announced its South Carolina local exchange market entry timetable. While ITC

DeltaCom's South Carolina local exchange tariff includes both business and residential local exchange service offerings, BST does not expect ITC DeltaCom initially to market residential wireline local exchange services on a facility or resold basis.

21. ITC DeltaCom indicated in an employee affidavit filed as an attachment to the comments of ALTS, that its Confidential South Carolina Business Plan calls for the provisioning of wireline facility-based local exchange services to both residential and business customers within the state at some point in the future.[Affidavit of Steven D. Moses on Behalf of ITC DeltaCom, Inc., ALTS Comments in Docket 97-208, Attachment C, Pg. 10, Paragraph 21-22]. In support of this assertion, ITC DeltaCom cites, as further public evidence of its financial commitment to provide "wireline residential and business local exchange services", a number of actions it has taken in South Carolina, including its PSC-approved interconnection agreement with BST and its public announcements to provide local exchange services throughout its serving area.[Id.] The ALTS comments point to ITC DeltaCom's approved CLEC certification request, negotiated collocation agreement with BST, and its local exchange tariff filing. BST does not believe that such evidence demonstrates that ITC DeltaCom will actively market and provide facility-based service to residences in South Carolina.



11/14/97

22. BST has never had access to ITC DeltaCom's Confidential Business Plan for local exchange market entry in South Carolina. The BST statements concerning ITC DeltaCom's market entry plans in South Carolina, which were included in my original South Carolina affidavit and BST's South Carolina Brief, were based solely on BST's knowledge of ITC DeltaCom's actual marketing and in-service provisioning activity in those BST markets where it is currently an active provider of facility-based local exchange services. Based on this information, BST fully expects ITC DeltaCom to focus its initial facility-based local exchange market entry in South Carolina on the business customer.

23. BST has subsequently been made aware of ITC DeltaCom's publicly stated South Carolina local exchange market entry strategies in much greater detail than was previously available to BST, or to the South Carolina Public Service Commission. BST does not in any manner dispute the fact that ITC DeltaCom may enter the South Carolina local exchange market at some point in the future as a facility-based provider. BST firmly asserts that the market entry and expansion plans of many potential facility-based providers, such as ITC DeltaCom, AT&T, and MCI will only be accelerated and implemented once BST's entry into the South Carolina interLATA services market forces an economic commitment to serve business and residential customers.